

SENATE RECORD VOTE ANALYSIS

104th Congress
1st Session

Vote No. 251

June 13, 1995, 4:05 p.m.
Page S-8239 Temp. Record

TELECOMMUNICATIONS/Universal Service Vouchers

SUBJECT: Telecommunications Competition and Deregulation Act of 1995 . . . S. 652. McCain amendment No. 1276.

ACTION: AMENDMENT REJECTED, 18-82

SYNOPSIS: As reported, S. 652, the Telecommunications Competition and Deregulation Act of 1995, will amend telecommunications laws and reduce regulations in order to promote competition in the telecommunications industry by eliminating barriers that prevent telephone companies, cable companies, and broadcasters from entering one another's markets. It will also permit electric utilities to enter the cable and telephone markets. Judicial control of telecommunications policy, including the "Modified Final Judgment" regime, will be terminated.

The McCain amendment would require the Federal Communications Commission (FCC) to prescribe regulations within 2 years to require the provision of universal service through a voucher system. ("Universal service" refers to those telecommunications services which the FCC decides all Americans should have access to at just, reasonable, and affordable rates.) Individuals with incomes up to 200 percent of the poverty level would be eligible for vouchers which they would use to pay providers of universal service telecommunication services.

Those favoring the amendment contended:

The McCain amendment would abolish the massive regulatory scheme this bill will create to tax telecommunications companies to subsidize the provision of "universal service" and would replace it with a voucher system to make such service available to people who arguably cannot afford to buy it. The amendment would have two salutary effects--first, it would ensure that only people who need assistance would get it, and two, it would encourage competition. The first effect would be achieved by limiting eligibility for vouchers to people whose income is no more than twice the level of poverty. Under the current patchwork of rate-averaging subsidies, which include long-distance access charges, subsidization of residential rates by business rates, and subsidization of rural rates by urban rates, no consideration is given as to whether particular subsidized ratepayers actually need subsidies. Thus, for example, we

(See other side)

YEAS (18)		NAYS (82)				NOT VOTING (0)	
Republicans (18 or 33%)	Democrats (0 or 0%)	Republicans (36 or 67%)		Democrats (46 or 100%)		Republicans (0)	Democrats (0)
Abraham		Bennett	Inhofe	Akaka	Inouye		
Ashcroft		Bond	Jeffords	Baucus	Johnston		
Brown		Burns	Kassebaum	Biden	Kennedy		
Coats		Campbell	Kempthorne	Bingaman	Kerry		
DeWine		Chafee	Lott	Boxer	Kerry		
Dole		Cochran	Lugar	Bradley	Kohl		
Gorton		Cohen	McConnell	Breaux	Lautenberg		
Gramm		Coverdell	Murkowski	Bryan	Leahy		
Helms		Craig	Pressler	Bumpers	Levin		
Hutchison		D'Amato	Roth	Byrd	Lieberman		
Kyl		Domenici	Shelby	Conrad	Mikulski		
Mack		Faircloth	Simpson	Daschle	Moseley-Braun		
McCain		Frist	Smith	Dodd	Moynihan		
Nickles		Grams	Snowe	Dorgan	Murray		
Packwood		Grassley	Stevens	Exon	Nunn		
Santorum		Gregg	Thomas	Feingold	Pell		
Specter		Hatch	Thurmond	Feinstein	Pryor		
Thompson		Hatfield	Warner	Ford	Reid		
				Glenn	Robb		
				Graham	Rockefeller		
				Harkin	Sarbanes		
				Heflin	Simon		
				Hollings	Wellstone		

EXPLANATION OF ABSENCE:

- 1—Official Business
- 2—Necessarily Absent
- 3—Illness
- 4—Other

SYMBOLS:

- AY—Announced Yea
- AN—Announced Nay
- PY—Paired Yea
- PN—Paired Nay

have rural ratepayers in inner-city slums paying for subsidies for ski lodges in Vale, Colorado. The McCain amendment is based on the premise that all the existing complex rate averaging formulas would be scrapped in favor of a direct voucher system. Poor inner-city residents would no longer pay premiums; landed gentry would no longer receive subsidies.

The second benefit of a voucher system is that it would encourage competition by letting poor customers decide from whom they would receive communications services. By way of analogy, when the Federal Government gives Food Stamps, it does not pay Safeway to bag a specific list of groceries and deliver it to a poor person. Instead, that poor person receives Food Stamps, and thus has a choice of which stores to go to and which foods to select. We imagine that Safeway would love to have the Government require that Food Stamp recipients buy only Safeway food, but other food stores would certainly cry foul. In effect, though, we have that situation today with telecommunications services, and we will still have it after this bill passes. The FCC will pick universal service providers, and it will pay them to provide subsidized services. Other companies will not get the same payments, so they will be at a competitive disadvantage. Using a voucher system, though, would allow fair competition, which inevitable would lead to better service and lower prices.

We are under no illusions as to the fate that will befall this amendment. Many companies have a vested interest in keeping alive the current subsidy system. Further, the amendment proposes a radical departure from the current system, so many Senators are going to wish to give the idea further consideration before passing it. Though going to a voucher system would prove beneficial to poorer consumers and would improve competition, we imagine most Senators will oppose this amendment. We however, will vote in its favor.

No arguments were expressed in opposition to the amendment.